

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

705



FROM: Human Resources Department

SUBMITTAL DATE:
January 8, 2008

SUBJECT: Exclusive Care Health Plan Group Retiree Healthcare Services Agreement with the City of San Buenaventura.

RECOMMENDED MOTION: 1) Ratify and approve the attached County of Riverside Group Retiree Healthcare Services Agreement with the City of San Buenaventura (Ventura) to be effective January 1, 2008; 2) authorize the Chairperson to sign four (4) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement, returning three (3) copies to Human Resources for distribution.

BACKGROUND: On July 17, 2007, Item 3.36, the Board approved the establishment of the Exclusive Care Select Retiree Health plan, and authorized the Assistant CEO/Human Resources Director to make this plan available to other public agencies. Plan designs and rates were also approved.

[Handwritten Signature]

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 447,000	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/08

SOURCE OF FUNDS: Health Premiums paid by the City of San Buenaventura and its retirees

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY *[Handwritten Signature]*
Elizabeth J. Olson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: LUCY FURUTA
DATE: 1/10/08
Departmental Concurrence

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 7/17/2007 3.36

District:

Agenda Number:

3.33

BACKGROUND continued

As a result of the Board of Supervisors' direction, the Human Resources Department worked with several interested public agencies offering an alternative, cost-effective medical plan administered by Exclusive Care suited to the unique needs of retirees.

Ventura has agreed to choose Exclusive Care Select Plan as one of three health insurance plans offered for their 100 retirees. The Administrative fees for City of Ventura include the one-time initial setup fee in the amount of \$5,000.

The Service Agreement between Ventura and Exclusive Care was signed by the City Manager on January 4, 2008 with the minor modification to the rate structure previously approved by the Board on July 17, 2007. The rate modification consisted of the addition of rates in the "Over 65 without Medicare Category" to provide for enrollees with one or more dependents under age 65. The impact of this change should be minimal, if any, as it is not anticipated that there will be many retirees in this category. (See Exhibit 1 of the attached agreement for the additional rates and rate structure.)

Entering into a Service Agreement with the City of Ventura will allow the plan to leverage the purchasing power of participating entities and to pool the retiree populations with the County for superior cost management. Because premiums will be based on a larger population, rates will be more stable. Ongoing costs will be covered by retiree premiums. Premiums will be adjusted annually, as needed, taking into account claims and trend experience. The effective date of the Exclusive Care Health Plan Group Retiree Healthcare Services Agreement with the City of Ventura is January 1, 2008.

A similar Group Retiree Healthcare Services Agreement with the County of Orange was approved by the Board on October 16, 2007, Agenda Item #3.33.